

TYPICAL HMFA FEES AND COSTS ASSOCIATED WITH THE TRANSACTION

Fees and Charges

Application Fee	Developers will be responsible for payment of a non-refundable application fee of \$2,500 due at the time of the initial application.
Commitment Fee	<p>The Developer will be required to pay a commitment fee in an amount equal to one (1) percent of the estimated mortgage amount projected at mortgage commitment. This fee may be paid in cash or posting an unconditional and irrevocable letter of credit acceptable to the HMFA.</p> <p>The commitment fee is refundable at the later of the issuance of bonds or mortgage closing. In the event that the project does not proceed to mortgage and/or bond closing, the fee shall not be refunded.</p>
Re-Commitment Fee (non-refundable)	A \$2,500 re-commitment fee will be charged.
Pass Through Costs	The HMFA will order the appraisal, market study, and environmental assessments. The costs for the aforementioned will be passed through to the developer.
Cost of Bond Issuance	<p>The cost of issuance is the Developer's allocable portion of the costs incurred by the HMFA for the issuance of bonds which include, but are not limited to, underwriter's fee, bond counsel fees, rating agency fees, printing costs, trustee and trustee's counsel fees, bond insurance premiums, and auditors' fees. The cost of issuance is included in the mortgage interest rate.</p> <p>The costs associated with the issuance vary dependent upon the overall size of the bond issue and will be allocated based upon the percentage each participating loan represents to the total bonds issued.</p> <p>Developers may reduce the interest rate by paying the cost of issuance out-of-pocket, which is presently anticipated to result in an approximate 15 basis point-reduction in rate. This election must be made two weeks prior to the date of the bond pricing. The payment of same must be made one week prior to bond pricing.</p>

Negative Arbitrage Escrow	A negative arbitrage escrow will be created which represents the difference between the rate the HMFA pays on the bond and the rate realized by the HMFA on the investment of the bond proceeds.
Construction Servicing Fee	A 50 basis points servicing fee on the principal loan amount must be budgeted. This fee is incurred annually and billed monthly in equal installments throughout the anticipated construction term.
Annual Servicing Fees	On all amortized debt, the HMFA servicing fee shall be, at the option of the sponsor, either (a) zero points at loan closing and an annual fee of 65 basis points (55 basis points for projects paying the 2% tax credit allocation fee) or (b) 2 points at loan closing and an annual fee of 50 basis points (40 basis points for projects paying the 2% tax credit allocation fee).
Financing Fee on Non-Amortizing Debt	If the HMFA is providing tax-exempt financing through the provision of two first mortgage notes in order to meet the 50% aggregate basis test as referenced in the section entitled "Tax Exempt Bond Volume Tax Credit", then the servicing fee for the first note, shall be as determined in accordance with the above section on "Annual Servicing Fees" based on the original amount of the first note. The financing fee, which is due at loan closing, for the non-amortizing second note is two points based upon the amount of the second note. A financing fee of two points shall also be due on all other non-amortizing debt provided by the HMFA. A construction service fee is incurred if non-amortizing debt is used during the construction period. In that case, a 50 basis point servicing fee is charged based upon the principal loan amount.

For additional information regarding underwriting guidelines, please consult the Instruction Sheet for Completing the HMFA Form 10 Proforma.